



ISSN NO. 2320-5407

Journal homepage: <http://www.journalijar.com>

INTERNATIONAL JOURNAL  
OF ADVANCED RESEARCH

## RESEARCH ARTICLE

## ECONOMIC IMPACT OF MICRO FINANCE ON WOMEN BENEFICIARIES IN KERALA AND CHITTAGONG

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### Manuscript Info

#### Manuscript History:

Received: 19 October 2015

Final Accepted: 25 November 2015

Published Online: December 2015

#### Key words:

Capital accumulation, Credit market, Economic impact, Micro finance, MFI.

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### Abstract

Micro finance, a proven tool for empowering poor women by mitigating their extreme poverty, has brought great changes in the women's living standard. As an alternative source of credit to the poor, micro finance has successfully established the thought that poor are now creditworthy. From its basic criteria to provide small amount of loan to the poor women to implement a number of social development programmes, micro finance is now considered as the tool of women empowerment. The easy access to get loans without collateral helps rural poor, especially women to enter into the income generating activities that has established them as self-dependent human being in the society.

The present study assesses the economic impact of micro finance on women beneficiaries in Kerala (India) and Chittagong (Bangladesh). The study reveals that micro finance has a great influence on the economic improvement of the women beneficiaries. Especially, the beneficiaries in Chittagong who were not financially sound. In respect of post micro finance impact, the highest number of beneficiaries in Kerala has achieved the economic empowerment. But when pre and post micro finance improvement (relative increase) is concerned, the beneficiaries in Chittagong have achieved more than what the beneficiaries in Kerala have achieved.

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## INTRODUCTION

Access to financial activities to all classes of people, a mass banking approach that had been shifted from the class banking has brought changes in the global economic policies. After the successful implementation of Grameen Bank model in the late 80's in Bangladesh, the 'micro credit lending' approach had added millions of financially excluded people, particularly poor rural women in the main stream financial activities all over the world. It is a strategy that accumulates a small amount of money from clients as savings and lends the money to the different levels of the people. From its basic criteria to provide small amount of loan to implement a number of social development programmes, micro finance is now considered as the tool of women empowerment.

Currently, most of the specialized institutions and banks in the developing countries have been operating for the purpose of enhancing the agricultural sector, small scale industries etc., to empower the end users of the rural economy. In India also an initiative by the central government through NABARD is a unique one that provides refinance to State Cooperative Agriculture and Rural Development Banks (SCARDBs), State Cooperative Banks (SCBs), MFIs, Regional Rural Banks (RRBs) to bring the financially excluded people into the banking arena. In

Bangladesh also some specialized institutions like Bangladesh Development Bank, Rajshahi Krishi Unnayan Bank, Palli Karma Sahayak Foundation (PKSF) have been instrumental in developing the rural economy.

Governments of India and Bangladesh have taken conscious efforts to add the women in the economic activities and increase their level of empowerment for reducing the inequality against women. As part of the initiative to empower women, government of India has been instrumental to implement from the First Five Year Plan (1951-56) onwards. Bangladesh government has also been working with its Sixth Five Year Plan (2011-2015) to improve the status of women. Despite the several developmental programs implemented in reducing poverty and empowering women, still poverty alleviation and women empowerment are the two major problems for both the countries. More than 25 to 30 per cent people are still into the poverty.

Though SHGs-linkage programme and Grameen model have made a commendable development in the field of micro finance, the micro finance users of Kerala and Chittagong, the two regions in India and Bangladesh selected for the comparative study are not getting the full benefits of the development works. Further, no pragmatic effort has been made by individual researchers or institutions to make a study on the condition of micro finance beneficiaries of Kerala and Chittagong or the effect of micro finance on the socio-economic status of the underprivileged sections, particularly women. It is in this back ground that the present study has been undertaken.

### **Theoretical Framework**

The core meaning of the word empowerment is power. It makes one powerful or competent to face all odds in the society. According to the dictionary the word empowerment means to give power or to empower a person to do something.

Micro finance provides an alternative source of finance to the poor and women. It offers credit, savings, insurance and other essential financial services to the underprivileged sections who are too poor to be served by regular banks. According to the United Nations Capital Development Fund (2004), micro finance plays three key roles in development. (1) It helps very poor households meet basic needs and protects against risks, (2) It is associated with improvements in household economic welfare and (3) It helps empower women by supporting women's economic participation and so promotes gender equity.

Economic empowerment is the utmost outcome of the micro finance that brings financial solvency to the beneficiaries. It ensures the economic freedom, increases the capacity of participating in the various economic matters and makes the way to become an independent woman. Being a financially sound, one can achieve all other empowerments like psychological, social, family empowerment etc.

### **Review of Literature**

On reviewing empirical studies conducted on micro finance and economic impact, it is observed that a few attempts were made by individual researchers, but no one attempted a comparison between two counties. Gurumoorthy (2000) pointed out that by participating in the income generating activities of SHGs, women beneficiaries play a significant role in the development of the rural economy and especially for their villages. Khandker (2000) found that micro finance encourages households to save more- the presence of a programme increases the proportion of households who save from 17 per cent to almost 60 per cent. Borrowing from a micro credit source reduces the incidence of borrowing from an informal source. Mahmud (2001) on data of household survey of 91 villages found that women in the poor households were more likely to be employed, women were found to have more access in their own income and a high proportion of women reported to have access to crop income and programme participants spend proportionately more time in income earning work regardless of poverty status of households. Hossain (2002) in a study over the Grameen Bank beneficiaries of the five project and two control villages found that Grameen Bank members had about 50 per cent higher income compared to the target group in the control villages, and about one-fourth higher compared to the target group non-participants in the project village. The positive income effect is mainly due to large increases in income from processing and manufacturing trade and transport services, which Grameen Bank loan finances. Raghavan (2009) has revealed that by participating in various income generating and developmental activities, the morale and confidence of women became very high and also the capacity of the poor women in several areas has gone up considerably.

### **Material and Methods**

The study is descriptive in nature based on primary data collected from women micro finance beneficiaries in Kerala (India) and Chittagong (Bangladesh). A multi-stage sampling technique has been applied to collect data from the beneficiaries. In the first stage, the State of Kerala and Chittagong division have been divided into three regions viz. north, central and south. From each region, one district each has been selected at random. In the second stage, one Panchayat/ branch each has been selected from each district on a random basis. In the last stage, 100 beneficiaries each have been selected purposively from each Panchayat/ branch. Thus, a total of 600 women micro finance beneficiaries (300 each for Kerala and Chittagong) have been selected as sample for the study.

## **Results and Discussion**

### **1. Economic Status of the Beneficiaries**

Income decides the financial strength of a person. It is the benchmark to measure the living standard of human beings. It helps in measuring the economic condition of the people. It is revealed from Table 1 that micro finance has brought positive changes in the financial condition of the beneficiaries. After availing micro finance, there is a maximum reduction in the number of low income beneficiaries and increase in the number of high income beneficiaries in Kerala and Chittagong. Paired t test also confirms the pre and post micro finance difference at 5 per cent level of significance. Though the mean of the capacity of bearing expenses, savings and buying assets is high in Kerala than in Chittagong during the post micro finance period, the relative increase in the mean of all variables in Chittagong is higher as compared to Kerala.

### **2. Income and Duration of Membership**

It has been observed from Table 2 that the beneficiaries who have more working experience in micro finance schemes are in the high income groups and the beneficiaries with minimum 3 year experience maximum fall in the low income level.

### **3. Preferences to Expenses**

As the income level of the beneficiaries in Kerala is better than that of Chittagong, so their choices of given preference to expenses will also be different. Table 3 depicts that, food has been given first preference (49%) followed by repayment of loans as second (17%) and clothing as third by beneficiaries in Kerala. On the other hand, beneficiaries in Chittagong have given repayment of loans as first preference (46%) followed by the food as second (27%) and fuel and electricity as third preference.

By analyzing the preferences given over the expenses, it is understood that due to the good financial condition, the beneficiaries in Kerala prefer first basic necessities for surviving. In the case of beneficiaries in Chittagong, they first think for the repayment of loans. Women beneficiaries in Chittagong know that the failure of the weekly payment of loan is the result of the disqualification of getting further loan in future. There is a practice in the house of the beneficiaries in Bangladesh that whatever the turnover from the business, they first separate the loan installment from their earnings. The t test also agrees with the difference at 5 per cent level of significance.

### **4. Sources of Household Income**

Stable income is the most important factor for maintaining a good living standard in the family and good source of income is its key. If the source of income is not profitable and doesn't give regular return, it creates obstacle in functioning the daily family matters. Shortage of money forces one to curtail the necessary facilities in the family. Only a regular return from a suitable source ensures in availing the maximum facilities to lead a healthy life.

From Table 4 it is seen that a substantial part of the women beneficiaries both in Kerala and Chittagong had switched off from their previous occupation to new one. In the case of Kerala, while two third of the beneficiaries were engaged in the fishing and agricultural related activities earlier, it decreased to 18 per cent during the post-micro finance period. Again, in Chittagong, the highest 45 per cent beneficiaries have started raising livestock after joining micro finance. In respect of income from small scale enterprises, there has also been observed a significant increase. The vulnerability of those sources and incoherent profitability with high risk could be the reasons that might have forced the micro finance providers not to sanction much loans in traditional businesses.

### **5. Reasons of Rise in Income of the Beneficiaries**

Availability of loan according to the need is one of the main reasons behind the rise in income. As a result, the majority of the beneficiaries in Kerala (69 per cent) and Chittagong (63 per cent) have told that availability of the loan as working capital is the most important reason that helps beneficiaries raise their income (Table 5). Further, a small percentage (10 per cent) of beneficiaries in Chittagong disclosed about more investment in agricultural and allied activities. In this regard, micro finance providers in Chittagong offer seasonal loan to the interested beneficiaries. With the other regular business activities, beneficiaries use such opportunity to earn some extra money. Usually, as a seasonal food, it is more profitable.

## **6. Impact of Micro Finance on Credit Market**

One of the premises on which the Grameen Bank is set up is that the poor non-farm operators, particularly those engaged in the cottage and paddy trade, had to depend on the so called village money-lenders. In the absence of any institutional source, as an ultimate option, the non-farm cottage and petty traders either borrowed money or got raw materials on credit from the money lenders against the condition that they would sell the products through money lenders. As money lenders were influential and had control over the market, the poor were forced to sell their products less than at the market price to the money lenders. It aggravated their economic vulnerability. Only after the intervention of Grameen Bank, as an institutional source of loan, the rural poor had been able to mitigate their extreme misery. In Kerala also while interviewing the beneficiaries, they have disclosed their sufferings for getting loans from unusual sources and expressed their dissatisfaction over the process they had collected loans before joining micro finance.

Though there was a great dependency on non-institutional sources earlier, in the post micro finance period, a greater number (>85 percent) of the beneficiaries both in Kerala and Chittagong have disclosed that they fulfill their demand of working capital from the institutional sources (Table 6). The paired t test also confirms the pre and post micro finance difference. An observable point for Chittagong is that, 11 per cent beneficiaries have revealed that they have connection with money lenders even after availing micro finance.

It is known that, before the emergence of SHGs programme in Kerala, the credit institutions had a great role to channelize the credit to the poor people. Afterwards, SHG-Bank linkage programme has emerged as the major micro finance programme in India. Later, besides it, as a state poverty eradication mission, Kudumbashree has been instrumental in changing the economic face of Kerala at the grass root level.

## **7. Impact on Capital Accumulation**

One of the direct impacts of micro finance would be on accumulation of capital, both working and fixed. As the small installment of loan amount is paid weekly or monthly, so the beneficiaries can pay the money easily from their regular income leaving their capital intact. Since the micro finance providers now issue a larger amount of loan, so at the time of taking repeat loan, loanee can save a part of the money for making medium and long term investment by purchasing cow, cattle, machinery, etc., from his incremental income.

It is observed from Table 7 that while 51 per cent of the beneficiaries in Kerala and 37 per cent in Chittagong were having working capital for business, three fourth of the beneficiaries both in Kerala and Chittagong have reported to have working capital during the post micro finance period.

## **8. Impact on Employment**

The objective of Grameen Bank is to provide credit facilities to poor men and women for creating opportunities for self-employment for the vast unutilized and underutilized manpower resource (Yunus, 1982). Impact of micro finance on employment has two aspects such as (1) generation of employment for the earlier unemployed and (2) generation of additional employment for the underemployed. After becoming members of the micro finance, many unemployed women have started working either in their own business or in others business as paid employee and majority of them have changed their traditional family occupation.

Table 8 shows that during the pre micro finance period while 32 per cent of the beneficiaries in Kerala were not involved in productive occupation, in Chittagong, they were 68 per cent. But it decreased both for Kerala and Chittagong to 4 to 5 per cent during post micro finance period.

## **9. Homestead Owned**

House is considered as one of the most required fixed assets. As fixed asset, house is not only an indicator of measuring the living standard of family; it also serves as the main social security to an individual. When poor people are concerned, owner of a house is expected to have a good standard and identity in the society.

From Table 9 it is clear that there is no significant change in the pattern of homestead size owned by beneficiaries in Kerala and Chittagong since they become micro finance clients. But due to the sound financial condition, the beneficiaries in Kerala are in good condition as compared to the beneficiaries in Chittagong even before enrollment in micro finance. It is mentioned here that in India all State governments with the support of Central Government have been involved in making free houses to the financially downtrodden people like SC/ST/BPL category. This scheme is funded by the Centre and State in the ratio of 75:25. Up to 2011-12, the unit cost of the house was Rs. 45000. Due to the price rise in the construction materials, Government has increased the state grant. Now Kerala State Government sanctions up to Rs. 200000 per unit.

#### **10. Major Renovation Work of House**

Maintenance of house is a recurring expense. Every year a lump sum amount is needed to renovate the house. As the houses of poor people are concerned, in Chittagong it is made by bamboo, soil and roof by plain tin sheet. In Kerala, the sample beneficiaries have at least a house with tiled roof. Renovating house is considered to be the most costly for the poor beneficiaries.

The data from Table 10 revealed that while, 39 per cent beneficiaries in Kerala are able to change the roof of the house, in the case of Chittagong, they are only 26 per cent. The big difference between the mean score in Kerala (1.95) and in Chittagong (1.3) also confirms the claim. The low financial capacity doesn't allow more than two third of the beneficiaries in Chittagong to change the roof. It is noted that as the majority of the houses of the beneficiaries in village areas in Chittagong are made of bamboos and mud as raw materials, the village people usually change their old bamboos, soil, and tin of the roof before rainy season. This is because, cyclone and strong wind with heavy rain are very common in Bangladesh in the summer and rainy season. In the case of Kerala, since there is no frequent natural calamity like Chittagong, it gives relief to the beneficiaries in Kerala.

#### **11. Sources of Money to Renovate the House**

The data of sources of money to renovate the house show that while 61 per cent beneficiaries in Kerala have given first preference to spend money from 'savings', in Chittagong, 'loan taken from MFIs' (50 per cent) has been given first preference (Table 11). It is understood that beneficiaries in Kerala are financially stronger than that of Chittagong. Near about two third of the beneficiaries in Kerala (61 per cent) are able to renovate their houses from their own savings, whereas they are one third in Chittagong.

#### **12. Perception of Beneficiaries about the Changes in Post Micro Finance Economic Conditions**

To measure the post micro finance changes of the respondents, a structured schedule has been drafted by using the categorized 3 point scale responses ('low', 'Medium' and 'High' with weights ranging from 1 to 3) and from that the following four standards namely 'Deteriorated', 'Remained the same', 'Somewhat better' and 'Improved' with weights ranging from 1 to 4 have been set. For that, questions such as, income, savings, affordability of the cost of children education, necessary expenditure for daily food etc. have been asked to the beneficiaries.

It is known that, a large majority (more than 75 per cent) of the beneficiaries both in Kerala and Chittagong have positively changed (improved/somewhat better) their economic condition after availing micro finance, and the percentage is higher in Kerala than in Chittagong (Table 12). A noticeable thing is that out of the total sample, as against 5 per cent in Kerala, 7 per cent beneficiaries in Chittagong face deteriorated situation in the post micro finance period.

### **Conclusion and Suggestions**

Micro finance plays an important role in empowering the women as independent human being in the society who can lead their life according to their wish. It ensures women's economic independence that improves the living standard of the poor women beneficiaries of micro finance. The development is incomplete if half of the population, women are kept out of the economic activities. So empowerment of women through micro finance initiative is necessary. The study advances the following suggestions to make poor people economically more empowered and also to increase the financial condition of the women beneficiaries:

1. As the beneficiaries in Kerala are financially better than that of Chittagong, so government should launch government sponsored income generating activities especially for the low income people of Chittagong as part of its developmental works in the rural areas where the poor people can participate and make regular



earnings. Further, the recently rekindled relationship between India and Bangladesh under the new leadership in India can be used to revitalize the microfinance activities.

- Food has been given first preference by the half of the beneficiaries in Kerala whereas beneficiaries in Chittagong first prefer loan repayment. So government should ensure subsidized food, medical facilities etc, as part of its initiatives to improve the living standard of the underprivileged people in Chittagong. Otherwise malnutrition, child illiteracy will derail the development works of Chittagong.
- A modest house is necessary to lead a healthy and secured life. Like the government of India, government of Bangladesh and NGO-MFIs should take housing project for the weaker section of the society. Though the MFI like Grameen Bank has a house loan with easy installment, government intervention with less interest rate will make the initiative more viable.
- Since the beneficiaries in Chittagong are financially weaker than that of Kerala, they have to take more care over their business activities and have to concentrate more on increasing the income. They have to engage themselves in more and more training programmes and micro finance activities with the support of their respective governments.
- Since the majority market share (70% of the total micro finance portfolio) is under the largest three MFIs in Bangladesh, the big three players (Grameen Bank, BRAC & ASA) have to innovate new products and services to attract the new clients. Furthermore, the other MFIs also have to come with new and innovative product to reach the new market to offer better services.
- Since more beneficiaries in Kerala than in Chittagong have improved their economic condition, so NGOs-MFIs in Chittagong have to take more care and if necessary can launch tailor-made products.

**Table 1. Percentage Distribution of Beneficiaries about their Economic Status before and After Joining Micro Finance**

Variables	Kerala						Chittagong					
	Pre-MF			Post-MF			Pre-MF			Post-MF		
Income	L	M	H	L	M	H	L	M	H	L	M	H
	31	41	28	9	49	42	66	29	5	33	45	22
Bearing expenses	NA	A	M	NA	A	M	NA	A	M	NA	A	M
	49.6	50.4	10.53	13.4	86.25	13.03	77.2	22.7	8.34	39	61	11.27
Savings	NS	S	M	NS	S	M	NS	S	M	NS	S	M
	59	41	8.46	21.5	78.5	10.71	87	13	6.64	41.5	58.5	9.51
Buying assets	NA	A	M	NA	A	M	NA	A	M	NA	A	M
	61.8	38.1	1.38	29.3	70.6	1.70	88	12	1.12	58.6	41.3	1.41

Source: Primary data.

Low level=<4000<6000, Medium level=6000 <10000, High level=10000<15000 &>. t = -40.388 with 599 degree of freedom. Variation of Mean: Kerala = 33.33% (High Level), 19.51% (M), 70.96% (L) Chittagong=340% (High Level), 55.17% (M), 50% (L). NA=Not Affordable, A= Affordable. t = -18.689 with 599 degree of freedom. Variation of Mean= 23.18% (Kerala); 25.89% (Chittagong). NS=No Savings, S=Savings, M= Mean. Variation of Mean= 26.24% (Kerala); 43.63% (Chittagong). Variation of Mean= 23.18% (Kerala); 25.89% (Chittagong).

**Table 2. Percentage Distribution of Beneficiaries by Income and Duration of Membership**

Income level	Duration of Membership							
	Kerala				Chittagong			
	3 year	4 year	>4	Total	3 year	4 year	>4	Total
< 4000	-	-	-	--	9	5	-	14
4000 < 6000	6	3	-	9	4	15	-	19
6000 < 8000	9	7	-	16	2	20	3	25
8000 < 10000	4	29	-	33	-	9	11	20
10000 < 120000	-	15	10	25	-	4	8	12
12000 < 15000	-	4	7	11	-	2	5	7

15000 & more	-	2	4	6	-	1	2	3
Total	19	60	21	100	15	56	29	100

Source: Primary data.

Low

level=&lt;4000&lt;6000, Medium level=6000 &lt;10000, High level=10000&lt;15000 &amp;&gt;

Chi square = 620.492 with 12 degree of freedom, significant at 5 per cent level.

**Table 3. Preferences to Expenses**

Expenses	Kerala		Chittagong	
	Number	Per cent	Number	Per cent
Food	147	49	81	27
Clothing	27	9	18	6
Fuel & Electricity	21	7	21	7
Child Education	18	6	12	4
Medical expense	15	5	15	5
Social & Religious functions	21	7	15	5
Repayment of loans	51	17	138	46
Total	300	100	300	100

Source: Primary data.

t = 35.101 with 599 degree of freedom, significant at 5 per cent level.

**Table 4. Sources of Household Income of the Beneficiaries**

Source of Income	Kerala				Chittagong			
	Pre-MF		Post-MF		Pre-MF		Post-MF	
	No	%	No	%	No	%	No	%
Income from Livestock	33	11	42	14	60	20	135	45
Income from land	18	6	6	2	36	12	12	4
Income from fishing	81	27	27	9	27	9	39	13
Income from small scale enterprises	39	13	183	61	39	13	87	29
Agricultural related works	114	38	27	9	63	21	12	4
Rent	6	2	3	1	12	4	6	2
Others	9	3	12	4	63	21	9	3
Total	300	100	300	100	300	100	300	100

Source: Primary data.

t = -5.133 with 599 degree of freedom, significant at 5 per cent level.

**Table 5. Reasons of Rise in Income of the Beneficiaries in Kerala and Chittagong**

Reasons	Kerala		Chittagong	
	No	%	No	%
Free from local money lenders	42	14	48	16
Availability of micro finance loan according to need	207	69	189	63
Increase the wage rate in agricultural sector	12	4	9	3
Government subsidies on agricultural industry.	9	3	15	5
MFIs' guidance and supervision over business	18	6	9	3
More investment in agricultural allied activities	12	4	30	10
Total	300	100	300	100

Source: Primary data.

t = 44.343 with 599 degree of freedom, significant at 5 per cent level.

**Table 6. Distribution of Institutional and Non Institutional Credit as Source of Finance**

Sources of Credit	Kerala				Chittagong			
	Pre-MF		Post-MF		Pre-MF		Post-MF	
	No	%	No	%	No	%	No	%
<b>Non-Institutional sources</b>								

Money lenders	159	53	-	-	228	76	33	11
Friends & relatives	42	14	30	10	36	12	6	2
Mortgaging property	36	12	3	1	15	5	--	--
<b>Institutional Sources</b>	63	21	267	89	21	7	261	87
Total	300	100	300	100	300	100	300	100
Mean		1.21		1.89		1.07		1.87

Source: Primary data.

t = -29.166 with 599 degree of freedom, significant at 5 per cent level.

Variation of Mean= 56.19% (Kerala); 74.76% (Chittagong).

**Table 7. Percentage Distribution of Beneficiaries having Working Capital**

Source of Income	Kerala				Chittagong			
	Pre-MF		Post-MF		Pre-MF		Post-MF	
	Yes	No	Yes	No	Yes	No	Yes	No
Income from livestock	49	51	71	29	21	79	74	26
Income from fishing	39	61	69	31	25	75	69	31
Income from small enterprises	21	79	87	23	10	90	82	18
Income from agricultural related works	48	62	61	39	31	69	67	33
Average	39	61	72	28	22	78	73	27
Mean	1.35		1.71		1.22		1.73	

Source: Primary data.

t = -33.734 with 599 degree of freedom, significant at 5 per cent level.

Variation of Mean= 26.66% (Kerala); 41.80% (Chittagong).

**Table 8. Changes of Occupation of Beneficiaries after availing Micro Finance**

Occupation	Kerala				Chittagong			
	Before		After		Before		After	
	No	%	No	%	No	%	No	%
Agricultural worker	27	9	39	13	12	4	33	11
Traditional family cultivation	39	13	6	2	18	6	9	3
Income from fishing	30	10	12	4	9	3	15	5
Livestock's, cattle raising	57	19	63	21	33	11	93	31
Small scale enterprises	51	17	168	56	24	8	135	45
No productive occupation	96	32	12	4	204	68	15	5
Total	300	100	300	100	300	100	300	100

Source: Primary data.

t = -28.596 with 599 degree of freedom, significant at 5 per cent level.

**Table 9. Homestead Owned by the Beneficiaries**

Homestead land owned(square feet)	Kerala				Chittagong			
	Pre-MF		Post-MF		Pre-MF		Post-MF	
	No	%	No	%	No	%	No	%
Up to 500	111	37	105	35	279	93	286	92
501-600	135	45	141	47	12	4	9	5
601-700	39	13	39	13	6	2	5	2
700	15	5	15	5	3	1	-	1
Total	300	100	300	100	300	100	300	100

Source: Primary data.

t = -30.151 with 599 degree of freedom, significant at 5 per cent level.



**Table 10. Major Renovation Work of House**

Reasons	Kerala			Chittagong		
	No	%	Mean	No	%	Mean
Changing the roof	117	39	1.95	78	26	1.3
Repairing floor	51	17	.68	27	9	.36
Repairing windows, entrance door	93	31	.93	42	14	.42
Changing bamboo, wood	30	10	.2	129	43	.86
Others	9	3	.03	24	8	.08
Total	300	100	3.79	300	100	3.62

Source: Primary data.

t = 47.997 with 599 degree of freedom, significant at 5 per cent level.

**Table 11. Sources of Money to Renovate the House**

Reasons	Kerala			Chittagong		
	No	%	Mean	No	%	Mean
From savings	183	61	2.44	93	31	1.24
Loan taken from MFIs	81	27	.81	150	50	1.0
Loan from money Lenders	12	4	.08	15	5	.1
loan taken from relatives	24	8	.08	42	14	.14
Total	300	100	3.41	300	100	2.66

Source: Primary data.

t = 46.387 with 599 degree of freedom, significant at 5 per cent level.

**Table 12. Perceptions of Beneficiaries about the Changes in Economic Conditions**

Category of Scale	Kerala		Chittagong	
	No	%	No	%
Deteriorated	15	5	21	7
Remained the same	24	8	54	18
Somewhat better	36	12	24	8
Improved	225	75	201	67
Total	300	100	300	100
Mean		3.54		3.35

Source: Primary data.

t = 90.72 with 599 degree of freedom, significant at 5 per cent level.

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